

IMMEDIATE

ROUTING AND TRANSMITTAL SLIP

Date 12 MAR 1980

TO: (Name, office symbol, room number,
Building Agency/Post)

Initials

Date

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DD/PPM 5 E 58

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
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Comment	Investigate	Signature
Coordination	Justify	

REMARKS

Please respond to Question No. 19. We need your response by c.o.b. Friday, 14 March. (See [redacted] note, attached.)

175: Our suggested responses are attached.

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FROM [redacted] Agency/Post)

Room No.—Bldg.

Phone No.

DD/Pers

5041-102

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OPTIONAL FORM 41 (Rev. 7-76)
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FPMR (41 CFR) 101-11.206

Chief, Administration Group/O/Compt

5041-102

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Form
3-65 160c

(13)

ROUTING AND TRANSMITTAL SLIP ¹³⁰ Date
11 March 1980

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Mr. Harry Fitzwater		
Director of Personnel Policy,		
2. Planning, and Management		
Rm. 5E58, Hqs.		
3.		
4.		
5.		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
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REMARKS

Harry:

Attached are two questions which have been excerpted from a long list of questions received from the SSCI. These are questions which we have been asked to answer for the record. While we are not required to forward our written responses to the SSCI until after the hearing, which is scheduled for Thursday, 20 March, we are expected to be prepared to answer these questions during the hearing. Therefore, we would like to have your responses to these two questions by c.o.b. Monday, 17 March, in order that they can be incorporated with answers to other questions for review by the DDCI in advance of the hearing.

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STAT	(Agency/Post)	Room No.—Bldg.
STAT	Chief, Administration Group/O/Compt	

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-10-

OTHER

CI/O/PPPM

(16) We note that you commissioned a study by the National Academy of Administration on the CIA personnel system.

-- What were the principal conclusions and recommendations of this study?

-- What steps were taken to implement the recommendations of this study?

CI/O/PPPM

(19) We note that you have instituted a senior intelligence service within CIA.

-- What are the major benefits you anticipate from this system?

-- What impact will this system have on categories of employees with unique skills such as scientists?

-- How do the grades and salaries of the senior intelligence service compare with those of the normal civil service?

-- What advantages might accrue by expanding this concept to a community-wide senior intelligence service?

STAT

-- What is the purpose of the that has been included in the budget request for senior intelligence service awards?

-- What are the criteria under which these awards will be given?

- D R A F T -

Q - What are the major benefits you anticipate from the system?

A - As stated in our Senior Intelligence Service (SIS) brochure (issued 1 October 1979), the purposes of the SIS are:

- To ensure that senior officer management is of the highest quality and fully responsive to the needs, policies, and goals of the Nation.
- To provide the Director of Central Intelligence with a centralized mechanism through which to develop equitable personnel management policies for senior officers and to direct and monitor their implementation and enforcement.
- To develop and maintain a highly motivated and competent group of individual's capable of filling senior level positions and to provide the type of quality performance needed for ~~the~~ continued success in fulfilling the DCI's missions and functions.
- To provide for a compensation system including salaries, benefits and incentives and for other conditions of employment designed to attract and retain highly competent senior officers.
- To ensure the systematic development of highly competent candidates for entry into the SIS and the continuing development of personnel already members of the SIS.

-- To provide for counselling, training and other assistance for those officers who are not performing to established standards to help them become successful performers.

Q - What impact will this system have on categories of employees with unique skills such as scientists?

A - The Senior Intelligence Service (SIS) includes senior Agency officers having unique skills. Scientists were formerly compensated under our Scientific Pay Schedule which parallels P.L. 313 provisions for research and development categories. Senior scientific officers were converted to equivalent SIS ranks on 4 November 1979.

Q - How do the grades and salaries of the Senior Intelligence Service compare with those of the normal civil service?

A - The Senior Intelligence Service ~~has~~ adopted the SES rank structure and basic pay rates established by the President, as modified by statutory limitations imposed by the Congress.

Q - What advantages might accrue by expanding this concept to a community-wide senior intelligence service?

A - We believe other agencies in the intelligence community may wish to establish senior officer systems comparable to the SES, and it is our understanding that NSA, DIA and the Department of State (Foreign Service) are seeking legislation permitting them to do so.

We do not see any advantages in seeking to group these systems in one community-wide program. Some of the disadvantages and possible complications include:

- Differing organizational and command relationships (e.g., DIA's relationship to the Department of Defense, and the combination of military and civilian officers in the senior command structure of both NSA and DIA).
- Diverse occupations and career patterns in each agency, further complicated by the need for strict compartmentation due to the sensitive nature of many of these jobs, particularly in NSA and CIA.
- Different career status (CIA employees do not have civil service status, while those of some of the other intelligence community agencies do).

Although we see little value in a community-wide SES-type service, we do believe there are opportunities for selected rotational assignments between these agencies, which would broaden the professional perspectives of those selected while bringing experience and expertise from one agency to bear on the problems of another. We have encouraged such assignments on a selective basis over the years, and would welcome the Committee's support for such efforts in the future.

STAT

Q - What is the purpose of the [] that has been included in the budget request for senior intelligence service awards?

A - This figure is the amount needed to finance:

a. Performance awards in three classes (20%, 12% and 7% ^{of base salary}) for which up to half the SIS officers are eligible (50% of the CIA SIS ceiling authorized by OMB),

STAT

b. Meritorious officer rank stipends of [] each to selected SIS officers (up to five percent of SIS on-duty strength), and

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c. Distinguished officer rank stipends of [] each to selected SIS officers (up to one percent of SIS on-duty strength).

Q - What are the criteria under which these awards will be given?

A - The basic criteria ~~in determining eligibility~~ for awards ^{the appraisal of} is the SIS member's individual performance ~~appraisal~~ in relation to specific work objectives and standards of performance. These are set forth in an Annual Work Plan (AWP), prepared by the supervisor in conjunction with the employee, and covering the same period as the Performance Appraisal Report (PAR).

D R A F T - Question 44

Following the establishment of the Senior Executive Service (SES) on 1 July 1979 for all government agencies covered under the Civil Service Reform Act of 1978, CIA studied applicability of the SES concept for this Agency. The Director of Central Intelligence subsequently approved, effective 1 October 1979, a Senior Intelligence Service (SIS) similar to the SES. Entry into the SIS by eligible employees was effective 4 November 1979. On 25 October, representatives of CIA (including the Director and Deputy Director of Personnel, an assistant legislative counsel, and a representative of the Office of General Counsel) briefed Committee Chief Counsel Mike O'Neil on aspects of the CIA senior service as a basis for comparison with similar programs proposed for NSA and DIA. At that time, we gave him our booklet describing CIA's senior officer program. On 8 November, the Deputy Director of Central Intelligence sent a brief memorandum to Representative Boland reporting formally that our Senior Intelligence Service had been established.

Our SIS system closely follows the general purposes and principles provided for in the Civil Service Reform Act of 1978 and did not in our view represent any changes in our executive personnel manning. We wish to assure the Committee that we intend to keep the Committee advised of significant personnel developments and the above information was passed in that spirit. We sincerely regret any impression to the contrary and would be pleased to provide additional information if desired.

Distribution:

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SUBJECT: Question No. 45

Please note that a detailed explanation of CIA's executive manning as well as that of NSA was included in a report to the Chairman/HPSCI dated 29 December 1979.

25X1 The authorized ceiling of ☐ officers includes SPS's who are not executives in a true managerial sense.

25X1 All executive level positions in CIA were established on the basis of stringent position classification criteria using government-accepted methodology and policy. Grade findings are based on a thorough review and analysis of the position, scope, level and substance of responsibilities in relation to organizational requirements. On the basis of position
25X1 classification reviews, there are actually ☐ positions properly classified at the formerly designated EP-IV and EP-V levels and GS-16 through GS-18. The ☐ is the total authorized ceiling, however. Justification for the
25X1 number of CIA employees holding SIS rank includes the fact that CIA is a totally independent Agency with no administrative support from OPM, DoD, nor any other cabinet, military or departmental level organizations; the intelligence collection and analysis under the cognizance of the CIA includes the entire gamut of disciplines within the social and physical sciences in addition to several fields which are not found elsewhere in government or the private sector; collection programs such as PHOTINT, SIGINT, HUMINT and related efforts require expertise in many occupational fields which do not require large numbers of employees but do require high levels of skills; and the responsibilities of the DCI require the employment of senior officers at levels throughout the Agency to maintain a worldwide intelligence and support capability in all aspects of the mission of the Agency.

The summary conclusion in the Director's report to the Committee Chairman was that the review of existing executive programs of NFIP components and those which are planned indicates that the establishment of grade criteria and the selection of executive assignment for civilians appear to be consistent among the various NFIP agencies and that each NFIP program manager has used rigorous criteria to establish his organization's executive programs and to select individuals to fill these positions. Further, each program manager has taken efficiency into account in determining how many and which of his component positions should be of executive level.

SECRET
DRAFT

SUBJECT: Suggested Comments to HPSCI on the Ratio of Senior Executives to Manpower Ceiling Within the CIA

1. The Agency applies stringent classification criteria to all senior positions using government-accepted methodology and policy. The general statement regarding these positions which follow can be discussed in any amount of detail required. Thorough evaluation of executive level position requirements can only be done through in-depth analysis of each position in relation to the component, Agency and national mission, programs and responsibilities. Statistical comparisons with other agencies ignores the only relevant evaluation factors, which include responsibilities, complexity, knowledge requirements, the position's impact on national policy matters, etc.

2. Any ratio of "Executive" positions to employee ceiling should exclude those positions designed to attract and retain senior substantive experts who will have a direct impact on national policy, but no managerial requirement or resource packages under their direct control. Examples follow:

- a. National Intelligence Officers and Associates
- b. Scientific Advisors (formerly designated Scientific Pay Schedule positions)
- c. Senior Briefing Officers
- d. DCI Representatives in foreign countries

Such positions are required by Agency charter and justify "Executive" rank, but are not part of Management overhead.

SECRET

~~SECRET~~

SECRET

3. The CIA is a totally independent agency, with no administrative support from OPM, DoD nor any other cabinet, military or departmental level organizations. Yet, in addition to normal administrative services and controls, the CIA is required to administer an entire, and unique, cover and services package for Agency employees.

25X1

4. The intelligence collection and analysis under the cognizance of the CIA includes the entire gamut of disciplines within the social and physical sciences in addition to several fields which are not found elsewhere in the government or the private sector. Collection programs such as PHOTINT, SIGINT, HUMINT and related efforts require expertise in many occupational fields which do not require large numbers of employees, but do require high levels of skills.

25X1

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- D R A F T -

Reply to HPS Q. of 2/19/80

Following the establishment of the Senior Executive Service (SES) on 1 July 1979 for all Government agencies covered under the Civil Service Reform Act of 1978, CIA studied possible applicability of the SES concept for this Agency. The Director of Central Intelligence subsequently approved a **S**enior Intelligence Service (SIS) similar to the SES. This SIS system was inaugurated on 1 October 1979. ^{effective 4 Nov.} On 25 October, representatives of CIA (including the Director and Deputy Director of Personnel, an assistant legislative counsel, and a representative of the Office of General Counsel) briefed Chief Committee Counsel Mike O'Neil and other staff members on aspects of the CIA senior service as a basis for comparison with similar programs proposed for NSA and DIA. At that time, we gave the Committee our booklet describing CIA's senior officer program. On 8 November, the Deputy Director of Central Intelligence sent a brief memorandum to Representative Boland reporting formally that our Senior Intelligence Service had been established.

Our SIS system closely follows the general purposes and principles provided for in the Civil Service Reform Act of 1978 and did not in our view represent any changes in Intelligence Community executive personnel manning. We wish to assure the Committee that we intend to keep the Committee

advised of ^{significant} personnel developments and the above information was passed in that spirit. We sincerely regret any impression to the contrary, and would be pleased to provide additional information if desired.

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Q - 27. A new line item of [] is requested to make incentive awards to members of the Senior Intelligence Service. These awards could apparently total as much as \$20,000 per person. This means that when the bonus is combined with their base salaries, certain CIA employees could earn more than Congressmen. Do you agree with this analysis? In a time of budgetary stringency, isn't this a "nice-to-have" item that could be deferred until more prosperous times?

A - CIA incorporated most of the features and concepts of the Senior Executive Service (SES) in establishing our Senior Intelligence Service (SIS). The award and rank stipend limits are those set forth in the Civil Service Reform Act (CSRA) of 1978. Thus your questions on incentive awards really apply to all Executive Branch departments and agencies and not just to CIA.

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CSRA provides for a maximum monetary award of [] (designated as the Distinguished Officer Rank Stipend) which may be given to no more than one percent of SES (and in our case, SIS) strength. Thus we anticipate that only a very small number of SIS officers may receive total compensation which would exceed the salary of a Congressman.

The CSRA provides that the SES "be administered so as to --

- "(1) provide for a compensation system, including salaries, benefits, and incentives, and for other conditions of employment, designed to attract and retain highly competent senior executives;
- "(2) ensure that compensation, retention, and tenure are contingent on executive success which is measured on the basis of individual and organizational performance (including such factors as improvements in efficiency, productivity, quality of work or service, cost efficiency, and timeliness of performance and success in meeting equal employment opportunity goals);
- "(4) recognize exceptional accomplishment;"

These would seem to be objectives at least as important in times of austerity as in more prosperous times.